



**ADVISORY COMMITTEE MEETING MINUTES**  
**August 12, 2015**  
**Archives Boardroom**  
**SALEM OREGON**

**COMMITTEE MEMBERS PRESENT**

Mark Carlton, Committee Member  
Kevin Nordhill, Committee Member  
Brady Boothe, Committee Member  
Steve Schnurbusch, Committee Member  
Celeste VanCleave, Committee Member  
Jeff Labhart, Committee Member

**STAFF MEMBERS PRESENT**

Kyle Knoll, PERS FASD Administrator  
Vitaly Putintsev, Enrollment Specialist  
Dee Monday, Policy Analyst  
Jack Schafroth, Local Government Representative  
Karen Blanton, Educational Representative

**I. INTRODUCTION:**

Meeting called to order by Chair Carlton at 9:30 a.m.

**II. APPROVAL OF MINUTES:**

Carlton asked if there were any changes or corrections to the minutes from May 13, 2015. There were no changes. Brady Booth moved to approve the minutes as presented and Celeste VanCleave seconded the motion. The Motion carried unanimously.

**III. OLD BUSINESS:**

No old business.

**IV. ADMINISTRATIVE REPORTS:**

- A. Q2 2015 Service Review:** Brian Merrick spoke about VOYA in the news. He stated that all of the marketing efforts are geared towards enhancing VOYAs brand identity. Merrick reported that VOYA has entered the Fortune 500 as the 2<sup>nd</sup> largest public company on the list. It is also the second consecutive year that VOYA is a World's Most Ethical Company and a top Green Company. Merrick highlighted that total plan assets are at about \$1.71 billion. More money came into the plan than came out of the plan during the last quarter. While the two new investment options (Socially Responsible and Real Return) are growing, they are diversifiers rather than main investment options.



Merrick introduced Wes Handley as a new local VOYA retirement representative. Handley is based in Klamath Falls and serves Southern Oregon.

Yolanda Dominguez gave the highlights of Q2. There were 102 educational seminars with 1164 in attendance and 326 individual meetings.

Dominguez reported the goal for group meetings was 240; they held 102 / YTD 165. The goal for individual appointments was 1,500; they held 326 / YTD 585. The goal for enrollments was 600; they had 554 / YTD 1,118. The goal for rollovers-in was \$15,000,000; actual was \$9,924,605 / YTD \$20,742,904.

- B. Q2 2015 Performance Report:** Jake O'Shaughnessy, Arnerich Massena, presented the Q2 performance review. There were no updates regarding Treasury and there were no issues during Q2.

U.S. GDP grew by 2.9% after inflation year-over-year through Q1 2015. In Q2, the economy is estimated to have expanded at a 2.8% annualized rate, according to a Bloomberg News economist survey of 78 economists conducted from July 2 to July 8.

For both the U.S. and the Euro Area, consumer price inflation has been near zero on a year-over-year basis. Low energy prices have contributed to the low U.S. inflation rate. U.S. core inflation, which excludes goods with high price volatility such as food and energy, was 1.7% for the year as of May.

After appreciating sharply for three consecutive quarters, the U.S. dollar stabilized in Q2 against a basket of 10 leading global currencies. A strong dollar allows U.S. consumers to buy imported goods more cheaply, but it makes U.S. exports less competitive and raises the cost of bringing foreign profits back to the U.S. Currency fluctuations will also enhance or reduce the returns of foreign investments.

- C. OSGP Updates:**

Kyle Knoll discussed the recruitment process for the OSGP and Salem Office Manager. Dee Monday provided an update regarding National Save for Retirement Week. There are events scheduled throughout the week of October 19<sup>th</sup> in Salem and Portland.

- D. State Q2 2015 Status:**

Karen Blanton spoke about her efforts in doing presentations at DHS agency meetings throughout Q2. Blanton stressed the importance of doing more outreach at the universities.



**E. Local Government Q2 2015 Status:**

Jack Schafroth reported that there were six new employer adoptions and eight more adoptions in progress. Schafroth will focus his efforts in the upcoming quarter on doing plan roll outs to new employers and will continue his outreach efforts geared towards attracting new employers.

**F. Q2 2015 Plan Statistics:**

Chair Carlton instructed meeting attendees to reference the meeting packet for Q2 plan statistics.

**V. NEW BUSINESS:**

**A. Investment Advisor Services - Purpose of Review:**

Kyle Knoll provided background information regarding investment advisor services and highlighted the purpose of the discussion.

**B. Investment Advisor Services Matrix:**

Brian Merrick reviewed the service offering summary and the costs associated with having access to investment advice. The role of the advisor is to provide guidance to the participant on what the ideal investment asset allocations are for their account. Merrick stated that the fee for advisor services would be a platform fee applied to all participants in the OSGP because the advice services would be available to all participants. Each participant could call and speak with an advisor as well as go online and utilize the investment advice tools. In addition, everyone in the plan would receive an annual retirement evaluation statement.

Merrick also highlighted professional account management. This discretionary service would enable a participant account to be managed by a VOYA investment professional. It would be available to all participants opting into the service and the fee for this service would be based on a tiered fee structure.

**C. Online Demo:**

Michael Dotto talked about the history of VOYA Financial Advising Services. Dotto stated that the service was first made available in 1999 and that there are over a million plan participants utilizing this service. Dotto noted that the three primary components which the addition of investment advisor service would seek to improve are participant savings, proper investment allocation, and increased retirement income.



Committee Member Brady Boothe asked Dotto if OSGP participants would be able to utilize the advice service for accounts from other financial institutions. Dotto stated that the participant would have the ability to link accounts from other financial institutions and to receive investment recommendations based on those accounts. Jake O’Shaughnessy asked Dotto how pension information or IAP information could be integrated into advice provided to participants. Dotto replied that VOYA does have access to participants IAP information and that the Social Security Administration can provide actual social security benefit estimates. Dotto stated that the Social Security Administration commonly shares information with financial institutions. The participant would have the ability to disallow this information sharing. Dotto spoke about the difference between OrangeMoney and financial advice, noting that OrangeMoney does not allow for investment recommendations.

Merrick stated that while VOYA would be providing the financial advice, no participant would be obligated to follow the advice. Dotto stated that VOYA, being the fiduciary, would be putting their reputation on the line in giving investment advice. Dotto stated that many plan sponsors often view the annual evaluation statement as a level of fiduciary protection as the participant would have a much more difficult time claiming they did not receive financial guidance. Dotto noted that the platform fee for investment advisor service to an OSGP participant would be \$6.00 per person annually.

The OSGP Advisory Committee was in agreement that a financial advising service would be beneficial to participants.

**VI. AUDIENCE PARTICIPATION:** None

**ADJOURNMENT:** The meeting scheduled for November 18, 2015 in Salem has been cancelled. The next meeting will take place on February 10, 2016.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Vitaly Putintsev  
Oregon Savings Growth Plan